Message Text

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ACTION ARA-20

INFO OCT-01 ISO-00 NEA-10 AEC-11 AID-20 CEA-02 CIAE-00

CIEP-02 COME-00 DODE-00 EB-11 FEA-02 FPC-01 H-03

INR-10 INT-08 L-03 NSAE-00 NSC-10 OMB-01 PM-07 RSC-01

SAM-01 SCI-06 SPC-03 SS-20 STR-08 TRSE-00 DRC-01

AGR-20 DOTE-00 PA-04 PRS-01 USIA-15 /202 W

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FM AMEMBASSY MEXICO

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E.O. 11652: N/A TAGS: ENRG, MX

SUBJECT: GOM OFFICIAL COMMENTS ON MEXICAN ENERGY PROBLEMS

REF: MEXICO 0931

1. DURING COURSE GENERAL CONVERSATION FEB. 19 BEING REPORTED SEPTELS, LIC. ABEL GARRIDO, GOM TREASURY OFFICIAL, EXPRESSED CONCERN CONTINUING READY AVAILABILITY GASOLINE ON MEXICAN DOMESTIC MARKET. AS OPPOSED TO OPTIMISTIC PICTURE PRESENTED BY OTHER GOM OFFICIALS (SEE MEXICO 9238, 9392, AND 0027 NOTED REFTEL), GARRIDO FEELS THAT STEPS WILL HAVE TO BE TAKEN SOON TO RESTRAIN DOMESTIC DEMAND SO AS TO REDUCE IMPORTS OF CRUDE AND PETROLEUM PRODUCTS. HE POINTED TO MEXICO'S ESTIMATED 1.6 BILLION DOLLAR TRADE DEFICIT IN 1973, AND INDICATED A PROBABLE INCREASE OF SEVERAL HUNDRED MILLION DOLLARS IN THE IMPORT BILL IN 1974 AS A RESULT OF HIGHER PETROLEUM PRICES.

2. GIVEN WHAT HE DESCRIBED AS "UNDISCIPLINED" NATURE LIMITED OFFICIAL USE LIMITED OFFICIAL USE

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OF THE MEXICAN, GARRIDO EXPRESSED VIEW THAT RATIONING WAS NOT A FEASIBLE SOLUTION, AND THAT IF DOMESTIC

DEMAND WAS TO BE RESTRAINED IN ORDER TO EFFECT
NECESSARY SAVINGS IN FOREIGN EXCHANGE, THEN SOME SORT
OF COMPROMISE PROGRAM WOULD HAVE TO BE WORKED OUT.
GARRIDO BELIEVES THAT ONE WAY TO RESTRAIN DEMAND WOULD
BE FURTHER SUBSTANTIAL RISE IN GASOLINE PRICES (WHICH
VIRTUALLY DOUBLED AT YEAR'S END) COUPLED WITH SPECIAL
PRICE CONCESSIONS TO SECTORS MOST AFFECTED, FOR EXAMPLE,
TAXIS, BUSES, TRUCKS, AND PERHAPS AGRICULTURAL USERS.
JOVA

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Message Attributes

Automatic Decaptioning: X Capture Date: 01 JAN 1994 Channel Indicators: n/a

Current Classification: UNCLASSIFIED

Concepts: PETROLEUM, PETROLEUM PRODUCTION, ECONOMIC ASSISTANCE, RESERVE SHORTAGE, INVESTMENT PROGRAMS

Control Number: n/a Copy: SINGLE Draft Date: 20 FEB 1974 Decaption Date: 01 JAN 1960 Decaption Note: Disposition Action: RELEASED Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974MEXICO01491

Document Number: 1974MEXICO01491 Document Source: CORE Document Unique ID: 00

Drafter: n/a Enclosure: n/a Executive Order: N/A Errors: N/A Film Number: n/a From: MEXICO

Handling Restrictions: n/a

Image Path:

ISecure: 1

Legacy Key: link1974/newtext/t19740221/aaaaatxk.tel Line Count: 70

Locator: TEXT ON-LINE Office: ACTION ARA

Original Classification: LIMITED OFFICIAL USE

Original Handling Restrictions: n/a Original Previous Classification: n/a Original Previous Handling Restrictions: n/a

Page Count: 2

Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE

Previous Handling Restrictions: n/a Reference: MEXICO 0931

Review Action: RELEASED, APPROVED Review Authority: MorefiRH

Review Comment: n/a
Review Content Flags:
Review Date: 17 SEP 2002

Review Event:

Review Exemptions: n/a
Review History: RELEASED <17 SEP 2002 by boyleja>; APPROVED <18-Sep-2002 by MorefiRH>

Review Markings:

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Review Media Identifier: Review Referrals: n/a Review Release Date: n/a Review Release Event: n/a **Review Transfer Date:** Review Withdrawn Fields: n/a

Secure: OPEN Status: NATIVE

Subject: GOM OFFICIAL COMMENTS ON MEXICAN ENERGY PROBLEMS

TAGS: ENRG, MX To: STATE

Type: TE

Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005